



Date: December 21, 2004
To: Gerald R. Miller, City Manager
From: Melanie S. Fallon, Director of Community Development
For: Mayor and Members of the City Council
Subject: QUESTIONS FROM THE DECEMBER 14 STUDY SESSION

1. Please explain, step by step, the eminent domain process?

When it is first adopted, a redevelopment plan may include the power of eminent domain, but only for 12 years. After that period, the redevelopment plan must be amended to extend the power of eminent domain for an additional 12 years. The Redevelopment Agency has the ability to use eminent domain to acquire property in the Downtown, Central Long Beach, Poly High and North Long Beach Project Areas. The Redevelopment Agency's power of eminent domain has expired in the West Beach, West Long Beach Industrial (WLBI) and Los Altos Project Areas. The Redevelopment Agency could amend the redevelopment plans for the West Beach and Los Altos Project Areas to extend its power of eminent domain, but has not chosen to do so since both project areas are fully developed and it is unlikely that the Redevelopment Agency would need to acquire property.

The Stipulated Agreement for the WLBI Project Area limited the Redevelopment Agency's power of eminent domain. What remained was allowed to expire due to the strong public opposition to the use of this power in the WLBI Project Area.

The following table lists the expiration date for the power of eminent domain in each project area.

Central Long Beach	March 6, 2013
Downtown	December 10, 2010
Los Altos	Expired
Poly High	December 2, 2010
West Beach	Expired
WLBI	Expired
North Long Beach	July 16, 2008

If a project is being considered in a redevelopment project area that requires the acquisition of property, an owner participation letter is sent to all the owners of record seeking their interest in participating in the redevelopment of their property consistent with the goals and objectives of the redevelopment plan. If an owner responds to an owner participation letter with a proposed project that is consistent with the redevelopment plan, Agency staff will meet with the owner to further explore the viability of the project.

If an owner does not respond to an owner participation letter, and the property is required in order for the project to proceed, a notice of intent to appraise is sent to the property owner advising the property owner that the Agency intends to appraise the property in anticipation of making an offer to purchase. The notice states that the owner has the right to accompany the appraiser during an inspection of the property, at which time the owner can educate and inform the appraiser on aspects of the property that could influence the appraiser's determination of fair market value.

After the property is appraised, an offer to purchase the property is sent to the property owner containing information relative to both the methodology and comparable sales upon which the determination of fair market value is based. If possible, this offer is also presented to the owner in person, with any questions that arise at that time answered. Negotiations with the owner will typically continue for a number of months, during which time, market information is shared between the owner and the Agency to ensure a fair and thorough analysis of all elements contributing to the determination of market value. Often, as a result of new information presented to the appraiser, a revised offer to purchase is prepared and presented to the owner.

If ongoing negotiations fail to reach consensus on a purchase price, the Agency may choose to consider condemnation. If so, a notice of hearing letter is sent to the owner of record and, though not required by law, lessees of the property, advising the owners and lessees that the Agency Board will consider adopting a Resolution of Necessity at a regular meeting not less than 15 days prior to the mailing of the notice of hearing letter. At the hearing, the owner can speak to the issue of the Agency's right to take or other issues the owner deems relevant to the Agency's decision making. At the conclusion of the hearing, the Agency may adopt the Resolution of Necessity which is then filed with the courts, allowing the Agency to take possession of the property within 120 days.

Either concurrent with, or prior to the hearing on the Resolution of Necessity, the Agency must also certify a document prepared under the

guidelines of the California Environmental Quality Act, which determines whether or not the acquisition of the property, and the development of the project associated with the acquisition, if any, will have a significant adverse impact on the environment. The owner is notified during the public notice and review period that any comments on the proposed project or mitigation measures must be provided during a certain time period. After expiration of the comment period, a final document is prepared and submitted to the Agency and the owner is advised of the hearing date at which time the Agency will consider certifying the environmental document. The owner can make further comments at this public hearing.

2. What is the City Council's role when the Redevelopment Agency uses eminent domain?

The Redevelopment Agency has the ability to acquire property through the use of eminent domain without the approval of the City Council.

3. What letters are sent as part of the eminent domain process?

See question #1 above.

4. How many times has the Redevelopment Agency used its power of eminent domain?

The attached Exhibit A is a May 3, 2004, memorandum describing the Redevelopment Agency's historic use of eminent domain. The Redevelopment Agency has used this power on 17 occasions since 1990 to acquire 50 properties.

The relocation of businesses and residents often accompanies the Agency's purchase of property. State and federal law protect tenants who are relocated as a result of an Agency project. The Redevelopment Agency has adopted a relocation plan that offers benefits for relocated businesses and residents that meet and in some areas exceed the requirements contained in state and federal law. The Redevelopment Agency has established a Relocation Appeals Board composed of citizens and Project Area Committee members who are prepared to hear appeals from relocatees who feel that their relocation benefits were inadequate. Because the Redevelopment Agency makes every effort to compassionately relocate families and businesses that must move, there has not been an appeal to the Relocation Appeals Board since the 1980's.

5. What role do Project Area Committees (PACs) play in the eminent domain process?

Community Redevelopment Law describes the role of a PAC as follows:

“The redevelopment agency through its staff, consultants, and agency members shall, upon the direction of and approval of the legislative body consult with, and obtain the advice of, the project area committee concerning those policy matters which deal with the planning and provision of residential facilities or replacement housing for those to be displaced by project activities. The agency shall also consult with the committee on other policy matters which affect the residents of the project area. The provisions of this section shall apply throughout the period of preparation of the redevelopment plan and for a three-year period after the adoption of the redevelopment plan, subject to one-year extensions by the legislative body.”

Community Redevelopment Law does not specifically give the PACs a role in the eminent domain process. However, in Long Beach the PACs are consulted regarding all development activity in their project areas. Staff briefs the PACs on development proposals and the briefings include a description of the site, the number of occupants that would need to be relocated and the possibility that eminent domain would be needed. The PACs provide advice to the Redevelopment Agency Board on proposed projects and sometimes this advice has reflected their desire to avoid the use of eminent domain.

6. If the Redevelopment Agency, City Council and PAC's visions differ, who wins?

The PACs are advisory bodies and the Redevelopment Agency has the ability to approve plans and projects over the objection of the PACs. The Redevelopment Agency has sought to create a vision for each project area through its Five-year Implementation Plans and strategic plans for project areas. The Redevelopment Agency can approve these plans without the review or consent of the City Council. However, as a matter of practice, staff briefs City Councilmembers and solicits their opinions during the creation of these plans. The City Council has the ability to block most major development projects undertaken by the Agency. However, it does not have the ability to compel the Agency to undertake specific projects and programs.

7. How will the City Council know about projects that are killed by the PACs?

Staff presents projects to the PACs at their monthly meetings and committee meetings. All of the PAC meetings are open, public meetings. PAC opposition to a project generally takes the form of a motion approved by a vote of the PAC that is included in their minutes and reported to the Redevelopment Agency by staff in an open, public meeting. When a project is abandoned by the Redevelopment Agency as a result of PAC opposition, it usually occurs after a vigorous public debate during an Agency Board meeting or subcommittee meeting.

8. What are the PAC's roles in the day-to-day operations of the Redevelopment Agency?

The Redevelopment Agency and staff consult the PACs on all aspects of redevelopment in their project areas. The Redevelopment Agency's annual budget is submitted to the PACs for review. The PACs review proposed projects and programs for their project areas and provide recommendations to the Agency. The PACs also play a major role in the creation of the project area strategic plans. That said, the role of the PACs is advisory and the Redevelopment Agency Board is free to accept or reject that advice.

9. What is the annual per capita sales tax for the years before and after redevelopment?

Staff only has limited sales tax data available at this time. Sales tax data may not be disclosed for a single business or disclosed in a way that would allow the sales tax data for a particular business to be determined. The sales taxes generated by the CityPlace, Los Altos Center, Wrigley Marketplace and the North Long Beach Vons and Orchard Supply Hardware projects, all projects made possible by redevelopment, are nearly \$2.5 million per year combined.

10. How many jobs were created by the Redevelopment Agency by project area and by project? What were the jobs and where were they created in Long Beach?

Redevelopment projects create short-term employment during construction and longer-term employment when businesses are established or relocated into Agency development projects. Redevelopment Agency projects have created a variety of jobs. There are many high paying, professional jobs located in downtown Long Beach as a result of the development of the office towers.

Lower paying, lower skilled jobs were created by the development of Agency retail projects such as the Los Altos Center, Wrigley Marketplace and CityPlace. The City of Long Beach has many residents with incomes below the poverty line that lack the skills and work experience needed to obtain high paying jobs. Lower paid retail and hotel jobs are important because they allow unskilled workers an opportunity to enter the workforce and gain the work experience they need.

In the Downtown Project Area alone, over \$1 billion in public and private investment has resulted in the creation of over 15,000 permanent jobs. The CityPlace project resulted in the creation of more than 700 jobs.

11. What is the relationship of the Planning Commission to the Redevelopment Agency and to the eminent domain process?

The Planning Commission does not play a role in the eminent domain process. Community Redevelopment Law provides a specific role for the Planning Commission to review and make recommendations on the adoption or amendment of redevelopment plans. The Planning Commission and the Redevelopment Agency work together to provide entitlements for Agency assisted projects and major projects located in redevelopment project areas.

12. How would changing the governance of the Redevelopment Agency affect our bond rating?

Staff contacted one of the City's financial advisors and he did not think that a change in Redevelopment Agency governance would have an impact on the rating of City or Agency bonds. He noted that most cities in California use their city council as the redevelopment agency and that a change in governance would not be the kind of event to cause concern.

13. Do the 25 largest cities in California that were discussed in the Keyser Marston and Clarion reports have city councils elected at-large or by district?

Of the 25 largest cities in California, not including Long Beach, councilmembers are elected by district in 11 and at large in 14 (Exhibit B).

14. Please provide more information on the Los Angeles model of redevelopment agency governance.

The Los Angeles City Council approved an ordinance that gives them a large amount of control over the actions of their Community Redevelopment

Agency. The reasons for this oversight ordinance and some of its restrictions are described in the Clarion and Keyser Marston reports on agency governance that were distributed to the City Council on December 14. The Los Angeles oversight ordinance is attached as Exhibit C.

15. The Los Altos repayments to the WLBI Project Area are not tax increment. Who gets input on how Los Altos funds are spent by the WLBI Project Area?

Loan payments from Los Altos to the WLBI Project Area are added to the WLBI Project Area's fund balance and are available to be spent on its projects and programs. The funds are included each year in the budget for the WLBI Project Area. The WLBI PAC provides the Redevelopment Agency with recommendations for its project area budget, but the final decision rests with the Redevelopment Agency Board.

16. Does Los Angeles County or HUD consider the double use of grant funds legal?

A redevelopment project area must have debt to collect tax increment. Most of the Redevelopment Agency's debt is from the issuance of bonds and loans from the City of Long Beach. The federal regulations regarding the use of the various grants allowed them to be lent to the Redevelopment Agency.

All Agency debt is reported to Los Angeles County each year and is the basis on which the Redevelopment Agency collects tax increment. Los Angeles County has accepted the debt created by City loans to the Agency and has paid millions of dollars to the Redevelopment Agency over the last forty years based on that debt.

17. The Press-Telegram questioned the validity of the City loans to the Redevelopment Agency and stated that the City is just a pass-through and could have given the money to the Redevelopment Agency and not loaned the dollars. Is this true?

The City loans to the Redevelopment Agency are real debt that serves many purposes. The City Attorney has confirmed this and does not feel that there is any legal basis to challenge the debt. Former City Manager James Hankla was the Executive Director for the Redevelopment Agency when many of the loans to the Redevelopment Agency were made. He has provided a letter that is attached as Exhibit D. The City of Long Beach received federal grants and loaned them to the Redevelopment Agency. The City could have given these funds to the Redevelopment Agency rather than loaned them and no debt would have resulted. However, the consequences to the

Redevelopment Agency would have been dire. Redevelopment project areas must have debt to collect tax increment. If not for the debt created by City loans, the Central Long Beach Project Area would never have collected tax increment, the Poly High Project Area would not have collected tax increment from 1975 to 2002 (in 2002, the project area sold bonds), the North Long Beach Project Area would not have collected tax increment until 2002 when it sold bonds and the remaining project areas would not have been able to collect tax increment in their early years prior to selling bonds.

18. Could the federal grants loaned to the Redevelopment Agency have been used by the City for other purposes?

The City Council loaned federal grants to the Redevelopment Agency for its projects and programs. Some were awarded to the City of Long Beach for specific projects and could not have been used for other purposes. Other federal grants, such as HOME and CDBG, are used to address City priorities under the specific eligibility criteria of the grants. The City Council supported the development of Long Beach Plaza by loaning both kinds of federal grants to the Redevelopment Agency. Of the federal funding loaned to the Redevelopment Agency, CDBG could have been used for other purposes (within eligibility criteria).

19. The City loans to the Redevelopment Agency do not contain a repayment schedule. Could a repayment schedule be added retroactively?

The loan agreements give the Redevelopment Agency the choice to provide payments on a schedule of their choosing or defer payments until redevelopment ends in a project area. The Redevelopment Agency could choose to establish a repayment schedule for any of its debt to the City. The City Council cannot compel the Redevelopment Agency to approve a repayment schedule.

20. What are the typical duties and actions of the Redevelopment Agency?

The Redevelopment Agency is a separate legal entity. A very significant authority the Agency possesses is the authority to purchase property and relocate residents and businesses. Additionally, the Agency possesses the authority to borrow money and sell bonds. The Agency can also develop property and impose land use and development controls. The Agency also enters into contracts, purchases land and reviews the design of new developments.

The Redevelopment Agency Board meets on the second and fourth Mondays of each month. Considering the need for study sessions, closed sessions and regular meetings, the average time commitment is about six hours each month. This does not include sub-committee work, which can be quite extensive when reviewing proposed development designs.

21. What is the percentage of time each duty requires?

The percentage of time devoted to each duty would vary considerably over time depending on the projects being considered by the Redevelopment Agency.

22. What Redevelopment Agency duties could be performed by the Planning Commission or any other body?

Community Redevelopment Law prohibits the Redevelopment Agency from delegating any of its powers to other organizations. However, the Redevelopment Agency could delegate its design review functions and its power to impose land use and development controls to the Planning Commission as the Planning Commission already has those powers.

23. What are the specific duties that the City Council currently performs or responds to regarding redevelopment and how much time does that currently require, including all meetings, briefings, closed sessions and City Council meetings?

The City Council must approve the adoption of all project areas and all amendments to redevelopment plans. Additionally, the City Council must approve agreements for the sale of land purchased with tax increment dollars. Much of the Council's most significant oversight comes in the form of approval of the Redevelopment Agency budget, including PAC budgets, and the approval of Agency bond issues. The City Council also oversees the appointment of Agency Boardmembers.

Staff currently briefs City Councilmembers on redevelopment projects, programs and plans in their districts. The time commitment for these briefings is related to the number of redevelopment projects in each district. Councilmembers have attended PAC meetings, met with small groups of PAC members and attended project-specific community meetings. The amount of time that City Councilmembers spend on Redevelopment varies considerably depending on the amount of redevelopment activities in their district and their interaction with the PACs.

24. How much has redevelopment benefited the General Fund?

Many of the Redevelopment Agency's projects and programs are similar to those funded by the General Fund in communities that do not have a redevelopment agency. A list of those projects and programs and the amount the Redevelopment Agency has expended or has budgeted for future years is contained in Exhibit E. In addition to these specific projects, whenever new retail development is added in Long Beach, additional sales tax revenue is generated that accrues to the General Fund.

25. How much time and money could be saved if the City Council were the Redevelopment Agency Board?

Proposals for new redevelopment projects and programs originate with City Councilmembers, developers, staff, PACs and the public. Before these projects and programs are proposed to any public body, staff spends considerable time attempting to achieve consensus among all of the groups listed above. Often members of the Agency Board and members of the City Council initially have different ideas regarding how a project should be implemented or whether it should be implemented at all. It is possible that this process of consensus building would be streamlined if only one public body granted redevelopment approvals.

After a general consensus on a redevelopment project is reached, it is still necessary to complete a dual approval process. Projects must be scheduled for Agency Board review at Redevelopment Agency Board meetings and, if they are approved, then scheduled for approval by the City Council. It is possible that the assumption of redevelopment authority by the City Council could streamline this dual approval process for redevelopment projects and programs.

Staff currently briefs City Councilmembers regarding redevelopment projects and programs in their districts. Some City Council offices with many redevelopment projects receive weekly briefings. We do not know the amount of additional time that staff would need to spend briefing members of the City Council if they were the Redevelopment Agency. Because of all of these factors, it is difficult to estimate the amount of time that could be saved through City Council assumption of Redevelopment Agency functions.

26. How much would it cost to have 1 or 2 staff members to support the City Council on behalf of Redevelopment?

A Community Development Analyst I at mid-step would require a salary of approximately \$51,000, but the cost with benefits would be somewhere closer to around \$75,000. Including \$5,000 for computer, phone and training

would bring the total cost of a new analyst-level position to around \$80,000.

- 27. Is the statement made by WLBI PAC Chair, Dan Berns, that a merger would end all inter-project loans, true?**

Most of the redevelopment project areas have borrowed funds from the WLBI Project Area. These debts are called inter-project loans. The balances of the inter-project loans and any payments are documented each year by the City Auditor and included in the Redevelopment Agency's Annual Financial Report. If all of the project areas were merged, the inter-project loans would still exist. The Los Altos Project Area would still be required to provide annual payments to the WLBI Project Area.

However, after a merger, the WLBI Project Area would not be guaranteed the use of the loan payments from other project areas as the Redevelopment Agency would be able to freely transfer funds between project areas.

- 28. Staff's memorandum of December 14, 2004, (Question #2) included Redevelopment Agency expenditures for public improvements for the FY 02, 03, 04 & 05 fiscal years. What is the estimated expenditure for the period 1970 to 2002?**

The City and Agency's financial records do not report Redevelopment Agency spending in sufficient detail for staff to determine the amount of spending for public improvements over the prior 30 years.

- 29. Staff's memorandum of December 14, 2004, (Question #4) included a description of the ways that redevelopment projects provide a financial benefit to the General Fund. What is the value of transient occupancy tax (also known as TOT or hotel taxes) and sales tax generated by the Redevelopment Agency that goes to the General Fund?**

Staff is not permitted to disclose the transient occupancy tax information for individual businesses or to report it in such a way that individual business taxes could be determined. At this time, staff has sufficient data to inform the City Council that the hotels in the Downtown Project Area built with the assistance of the Redevelopment Agency pay transient occupancy taxes of at least \$2 million each year. See question #9 for a discussion of sales taxes from Agency projects.

- 30. Staff's memorandum of December 14, 2004, (Question #6) described the City Council's involvement with the Pike, Marina Pacifica and Towne Center projects. Would you describe the City Council's involvement as**

similar to what the Redevelopment Agency does for its projects?

The Marina Pacifica, Pike and Towne Center projects were public/private partnerships between the City Council and a developer. The structure of those partnerships is very similar to partnerships between the Redevelopment Agency and other private developers. The review and approvals provided by the City Council for their partnerships are very similar to the review and approval the Redevelopment Agency Board provides for its partnerships.

- 31. Staff's memorandum of December 14, 2004, (Question #17) described public improvements in the Downtown Project Area funded by the Redevelopment Agency. What is the value of public improvements noted in #17? What other projects could have been completed had these projects not been completed (whether Redevelopment Agency or General Fund projects)?**

If the Redevelopment Agency had not provided funding for the CityPlace garage, the Promenade and the Pine Avenue Streetscape improvements, the tax increment revenues could have been used for any other redevelopment project located in the Downtown Project Area. An extensive review of the Redevelopment Agency's financial records would be required to determine the amount of Agency funding used for those public improvements.

- 32. Please provide more details on the decision of the City of Pasadena to disband its appointed Redevelopment Agency Board and use the City Council as the Redevelopment Agency.**

The Clarion Report provided to the City Council on December 14 contained a description (page 6) of the Pasadena City Council's decision to disband the appointed Redevelopment Agency Board. Staff has also discussed this action with consultants who were employed by the City of Pasadena in 1981. The story related to staff is as follows: In the late 1970s, the appointed board of the Pasadena Redevelopment Agency pursued an active redevelopment program that generated controversy in the community. The controversy resulted in one or more City Councilmembers losing election. The City Council subsequently declared itself to be the Redevelopment Agency, effectively disbanding the appointed Redevelopment Agency Board. The City Council formed a Community Development Committee to provide it advice on redevelopment matters.

Staff has also learned of a similar action by the City of Anaheim. The Anaheim City Council serves as the Redevelopment Agency. For many

years, they had an appointed advisory committee. In the spring of 2004, the Anaheim City Council disbanded their redevelopment advisory committee. The decision was not controversial and was taken because the City Council had not utilized the services of the advisory committee in recent years.

33. Please provide a matrix showing the agency governance practices of the largest California cities.

Keyser Marston provided staff with a chart describing their survey results for each city and it is included in Exhibit F.

34. What are the rights and duties of Councilmembers in regards to the appointment of organizations to the PACs when vacancies come up?

Community Redevelopment Law gives the City Council the obligation to ensure that the PACs are representative of the project area. The City Council, and not the Redevelopment Agency Board, determines what organizations are represented on the PAC and how many property owners, renters and business owners are on the PAC. The City Council may change the organizations or the numbers of PAC members in each category at its discretion. These changes are made by the City Council as a whole and not by individual Councilmembers.

Each community organization selects the individual that will represent it on the PAC and other PAC members are chosen by an election. The City Council cannot select the individuals that will serve on the PAC.

35. How many organizations are members of the North Project Area Committee?

The City Council designated nine organizations for PAC membership in 1995.

36. Do the bylaws for the North Project Area Committee determine which organizations are members of the PAC?

No. Only the City Council has the authority to determine which organizations are represented on the PAC. The list of organizations is set by a City Council resolution.

37. Is there evidence that Redevelopment Agency building of public structures will improve neighborhoods?

Staff can provide you with anecdotal evidence that Redevelopment Agency

public improvements have improved neighborhoods. The WLBI Project Area funded the construction of the West Police Station. Business owners in the area have told staff that they feel their security has improved since the construction of the West Police Station.

At the time the Downtown Redevelopment Project Area was adopted, it contained many historic buildings that were built when automobile parking was not a necessity. These buildings were functionally obsolete. To preserve these older buildings the Redevelopment Agency constructed a public parking structure and leased space in commercial buildings in order to enhance the economic viability of the older buildings. Many of these buildings remain in Downtown, are successful and provide an important link to the City's past.

In partnership with the MTA, the Redevelopment Agency built a public parking structure for Blue Line commuters at the Wrigley Marketplace. The public parking structure enhanced the viability of the Wrigley Marketplace and stimulated the commercial development of the area surrounding the intersection of Willow and Long Beach.

38. What is the current budget for Redevelopment staff?

The Fiscal Year 2005 budget allocation for redevelopment staff is as follows for each project area:

Central	\$392,093
Downtown	510,565
Los Altos	36,396
North	820,702
Poly High	73,494
West Beach	43,746
WLBI	556,676
Total	<hr/> \$2,433,672

39. In what instances can tax increment be spent outside of the project area in which it is generated?

Tax increment may be spent outside of the project area for public improvements that benefit the project area. For example, a project area could pay for a park that would be located close to the project area boundaries and would serve the residents of the project area. Tax increment from one project area may be used to pay the 20% housing set-aside

contribution for another project area.

40. What opportunity do small property owners and business owners have to participate in the redevelopment process?

Each project area has rules for owner participation to ensure that all project area property owners are given the opportunity to participate in the redevelopment of their property and to remain in the project area if they must be relocated. Through the City's Economic Development Bureau, the Redevelopment Agency also has specific programs designed to help small property owners and business owners. The Redevelopment Agency funds small business loans for project area businesses and also funds a façade program to help property owners improve the appearance of their buildings. In the WLBI Project Area, the Redevelopment Agency has funded exterior improvements for the small businesses that make up most of the project area. The Agency has also helped many small businesses expand their facilities in the WLBI Project Area.

41. What is the history behind the property located at the northwest corner of Santa Fe and Willard and what is it's current situation?

Councilmember Uranga expressed concern for the property located at the northwest corner of Santa Fe and Willard and its blighting effect on the surrounding community. The Councilmember and Agency staff worked together to address the problem through the use of an ongoing façade improvement program. An existing program administered through the Neighborhood Services Bureau was available for improvements along Santa Fe, while the Agency was approached to support improvements to the property along Willard and 21st Street. A few businesses along Santa Fe took advantage of the façade improvement program, while a majority of the property was to be part of a more extensive improvement.

An architect was retained to begin work on the more significant façade improvements, but he left his firm and the project was slowed dramatically. Problems then arose related to the property and façade improvements were put on hold while the City investigated. During this time, discussion turned to acquisition of the property, likely for the expansion of Admiral Kidd Park.

When the Department of Parks, Recreation and Marine approached the North PAC for their endorsement of property acquisition in May of 2002, there was some hesitancy on the part of the PAC. The PAC asked the Parks, Recreation and Marine Department to return with the request after they had made further progress on park projects currently being planned or

under development in North Long Beach.

Furthermore, on June 24, 2004, when the North PAC was told of the availability of property on the north end of the park, at 2171 Santa Fe, they recommended acquisition of that property for expansion of Admiral Kidd Park. Additionally, when the owner's asking price was three times market value, the North PAC recommended eminent domain action to acquire that property for park expansion.

Gary Larsen, part owner of the property at Santa Fe and Willard, speaking on behalf of the other owners, has a meeting planned for the end of December to determine the willingness of ownership to sell and at what terms. The next step will be to meet with Council offices for further direction and to meet with the North PAC, North Sub-Committee and Agency Board to provide authority for any actions to be taken.

42. How many blocks of redevelopment project area are located in the 7th District?

The equivalent of approximately 30 to 40 blocks are in both a redevelopment project area and the 7th District.

43. If the City Council became the Redevelopment Agency and used an advisory commission, what would that commission look like?

In many California cities the City Council is the Redevelopment Agency and is given advice by a redevelopment advisory commission. Community Redevelopment Law prohibits the City Council from transferring any of its redevelopment powers to an advisory commission, but does not otherwise specify the makeup or operation of an advisory commission. Therefore, the City Council would be free to establish an advisory commission in any form it wishes and define its role in any way as long as it is purely advisory.

Both the Keyser Marston and the Clarion reports list the cities that use advisory bodies. In all of the cities that staff is familiar with, the advisory commissions are appointed by the City Council. In some cities the advisory commission members come primarily from the business community. In other cities, the advisory commissions are selected to provide diverse representation from throughout the community.

In some communities the advisory commission reviews and provides a recommendation on all matters that would eventually come before the City Council/Agency. In other communities the advisory commissions provide

advice only on proposed development projects and are not consulted on matters such as the selection of vendors.

In some communities the advisory commission works with staff throughout the entire redevelopment process while other communities only consult with the advisory commission on a project immediately before the matter is considered by the City Council.

A few cities in which the City Council is the Agency use community development commissions. A City Council acting as a redevelopment agency may delegate some of its powers to a community development commission. Community development commissions are described in Community Redevelopment Law, but a city council has great leeway in deciding what role and powers to assign to a community development commission.

44. Please describe San Diego's use of non-profit development corporations.

The Clarion Report discusses San Diego's experience with non-profit corporations. The City of San Diego has an unusual and complex redevelopment governance structure. The City Council serves as the Redevelopment Agency and is assisted by City employees from the Economic Development Department. Redevelopment in some parts of the City is the responsibility of City staff. The City Council/Agency is also assisted by two non-profit corporations, the Center City Development Corporation and the Southeast Economic Development Corporation.

The non-profit corporations act as agents for the City Council/Redevelopment Agency. The Centre City Development Corporation has its own board of directors appointed by the Mayor and City Council. The Centre City Board receives advice from the Centre City Advisory Committee who are an elected body consisting of 28 project area residents and businesses. The Centre City Advisory Committee was formerly a PAC. The Centre City Development Corporation has its own 39-member staff. Exhibit G contains information from the San Diego Redevelopment Agency and Centre City Development Corporation web pages.

Please feel free to contact Otis W. Ginoza, Redevelopment Administrator, with any questions at (562) 570-5093.

MSF:OWG:owg

Attachments: Exhibit A – May 3, 2004, Memorandum on Eminent Domain
Exhibit B – City Council Elections in other Cities

Gerald R. Miller, City Manager

December 21, 2004

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Exhibit C – Los Angeles Oversight Ordinance

Exhibit D – Letter from former City Manager James C. Hankla

Exhibit E – Agency Support to the General Fund

Exhibit F – Agency Governance Matrix

Exhibit G – San Diego Redevelopment Agency

cc: Redevelopment Agency Board
 Heather Mahood, Assistant City Attorney
 Reginald I. Harrison, Deputy City Manager
 Barbara Kaiser, Redevelopment Bureau Manager
 Otis W. Ginoza, Redevelopment Administrator